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January 31, 2011

EXHIBIT 11
DATE Feb 7, 2011
HB 316

TO WHOM IT MAY CONCERN:

RE: HB 316

The Commissioner's of Fallon County would like it to be known they are in opposition to HB316 due to the impact it would make on our Rural County as well as all other Counties in this great State of Montana.

The State of Montana already collects a greater portion of most of the funds listed in HB316, and to take yet another slice of the funds will strip Fallon County and its taxpayers of much needed funds to provide basic and pertinent services that could not otherwise be provided and may quite possibly be discontinued.

Fallon County is a productive oil and gas County that lives within their means and is not abundantly dependent upon loans which can otherwise be used for other, less fortunate Counties. On the other hand Fallon County is not always able to receive grants because of our oil and gas industry base. The State of Montana currently pulls nearly half of our County's Oil and Gas Revenues off the top before distribution takes place.

Our oil and gas funds are used to help fund:

The maintenance of our Hospital and Nursing Home, a much needed facility considering the nearest major Hospital facility is 225 miles to Billings, MT; Rapid City, SD or Bismarck, ND. We now have four doctors providing services to our residents of the Community. The nearest Nursing Home is 45 miles East in Bowman, ND; 45 miles North in Wibaux or 45 miles South in Ekalaka and it is very important to the families of those residents that they are able to stay in Baker.

The maintenance of our roads which are heavily impacted by the oilfield, pipelines and daily use of the taxpayers for everyday, agriculture and school route purposes. Fallon County is also always searching for surfacing for our roads which is almost depleted. Over the past 6 years Fallon County has been obtaining easements from taxpayers and has recently taken over several of the main thoroughfares of the oilfield. This has decreased Fallon County's liabilities but with this also brings the extra costs of road maintenance which include, surfacing, dust control, snow removal, mowing and this in turn also brings extra cost for personnel and the possibility of adding more individuals to our work force. This also brings around the cost of equipment to maintain and upgrade the roads in Fallon County.

The maintenance/replacement of our bridges which are heavily impacted in the same manner as our roads. Fallon County has over 50+ bridges of which most are in moderate to very poor condition. Fallon

County has been replacing a few each budget year, as budget allows and has also been placing funding in a Capital Projects fund to allow for the replacement of these bridges.

The maintenance of our two Retirement Complex's of which one is several years old and is in need of upgrades for energy efficiency reasons as well as regular upgrades that are needed as in any businesses.

The maintenance of our County Courthouse for normal maintenance, energy efficiency, keeping up with codes, installation of an elevator and removal of blown in insulation due to allergens contents and also to increase the insulation for energy purposes, removal of windows to replace with more energy efficient windows, all very costly upgrades.

The Construction of Grandstands for our Fairgrounds as the grandstands that were in place was built in 1925 and was near condemnation status. There are also several other structures at the Fairgrounds that are always needing upgrades and repairs.

Fallon County needs to be allowed to keep the funding it receives now from beer, wine and license tax on liquor so we are able to provide alcohol, chemical dependency treatment and rehabilitation services to our residents (locally).

Fallon County has set up several Capital Projects Accounts over the years and sets aside funding, using our Oil & Gas Funds and Federal Mineral Royalty Funds, for improvements, construction and equipment purchases. Some of the projects this will be used for are as follows:

Drainage Project-As soon as we are allowed, our plan as Commissioner's has been to clean up our creek channel through the City of Baker by way of using precast concrete forms that can be easily cleaned with equipment in hopes of keeping the channel debris free and the mosquito population at a bare minimum.

Airport Equipment-Fallon County has funding set aside for the purchase of Airport equipment such as snow removal equipment, mowers, etc.

North Baker Water Sewer-Fallon County has funding set aside to aide with the North Baker Water Sewer project. The District received several grants but was still short funding and Fallon County was able to assist for the betterment of the businesses and homes in that area.

Wind Farm-Fallon County has been setting funding aside for installation of a Wind Farm. MDU has already placed 20 wind towers in Fallon County but Fallon County is optimistic to be able to someday have their own.

Green Energy-Fallon County has been setting funding aside for the purpose of migrating toward Green Energy for County facilities.

Weed Department Equipment-Fallon County has been setting funding aside to aide in purchases of Weed Spray trucks, mules and upgrades to their building.

Hospital Equipment/Maintenance-Fallon County has been setting funding aside in aide of purchasing updated medical equipment to keep our Hospital technology as current as possible. Fallon County is also aiding in updating showers to handicapped status, relocating the Pink Ladies Volunteer Gift Shop, relocating the Emergency Room, providing a room for families of patients, updating the fire alarm/sprinkler systems, relocated and constructed a new dietary due to issues in the previous location, repairs to the previous dietary area (floors heaving, water issues), this area will house the Physical Therapy Department as their current location is too small and not private enough for patient care.

Museum-Fallon County has been setting funding aside due to the condition of our original Museum building; extensive work needs to be done to keep the two story building in prime condition or risk losing the building all together.

Ambulance-Fallon County has been setting funding aside to aide in the purchase of a new Ambulance when the time arises.

Solid Waste-Fallon County has been setting funding aside to aide in the purchase of a Baler and Baler Building for our Landfill. At current time Fallon County needs to expand our Landfill and is doing so on Fallon County property and will be moving our buildings, etc from the land it is currently located on and the land is currently not Fallon County land.

Port Authority-Fallon County aided in forming the Port Authority and allows them the total mills by law. The Port Authority constructed their first Apartment Complex aiding in the housing shortage we have in Fallon County.

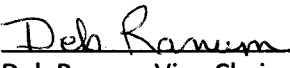
Economic Development-Fallon County assists, jointly with other Counties with funding for the Eastern Montana Economic Development Corporation. The EMEDC assisted in obtaining a large grant for the North Baker Water Sewer District as named above.

So, as you can see Fallon County does not squander their funds and does the best it can to maintain the facilities it has and looks to the future for the needs of the Community and our Taxpayers. We would respectfully urge a DO NOT PASS on HB316.

Respectfully,
Fallon County Commission



Donald Rieger, Chairman



Deb Ranum, Vice-Chair



William L. Randash, Member